

DEBTOR(S): Powell Valley Health Care, Inc. Document Page 1 of 11MONTHLY OPERATING REPORT
CHAPTER 11CASE NUMBER: 16-20326Form 2-A
COVER SHEETFor Period End Date: 07/31/2017Accounting Method: ☒ Accrual Basis ☐ Cash Basis**THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH**Mark One Box for Each
Required Document:Debtor must attach each of the following documents unless the U. S. Trustee
has waived the requirement in writing. File the original with the Clerk of Court.
Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts (Redact all but last 4 digits of account number and remove check images)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts
<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. Evidence of insurance for all policies renewed or replaced during month

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.Executed on: 7-21-17Print Name: Terry OdomSignature: Title: Chief Executive Officer

DEBTOR(S) Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 07/01/2017 to 07/31/2017

CASH FLOW SUMMARY

	<u>Current Month</u>	<u>Accumulated</u>
1. Beginning Cash Balance	\$ <u>4,978,249</u> (1)	\$ <u>3,499,673</u> (1)
2. Cash Receipts		
Operations	3,645,048	56,886,725
Sale of Assets	0	0
Loans/advances	0	0
Other	0	2,170
Total Cash Receipts	\$ <u>3,645,048</u>	\$ <u>56,888,895</u>
3. Cash Disbursements		
Operations	3,749,995	55,168,689
Debt Service/Secured loan payment	0	0
Professional fees/U.S. Trustee fees	0	0
Professional fees paid from retainer (e.g. COLTAF accts)	0	0
Other	0	346,575
Total Cash Disbursements	\$ <u>3,749,995</u>	\$ <u>55,515,264</u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	<u>-104,945</u>	<u>1,373,631</u>
5 Ending Cash Balance (to Form 2-C)	\$ <u>4,873,304</u> (2)	\$ <u>4,873,304</u> (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash	<u>Powell Valley Healthcare</u>	\$ 2,170
DIP Operating Account	<u>1st Bank Wyo 8425</u>	54,045
DIP State Tax Account	<u></u>	0
DIP Payroll Account	<u>1st Bank Wyo 4501</u>	-586,323
Other Operating Account	<u>1st Bank Wyo See form 2G</u>	5,403,411
Retainers held by professionals (i.e. COLTAF)	<u></u>	0
TOTAL (must agree with Ending Cash Balance above)		\$ <u>4,873,304</u> (2)

- (1) Accumulated beginning cash balance is the cash available at the commencement of the case and retainers.
Current month beginning cash balance should equal the previous month's ending balance.
- (2) All cash balances should be the same.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 07/01/2017 to 07/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

Date	Payer	Description	Amount
07/03/2017	Medicare EFT	Patient/Resident account	30,577.79
07/03/2017	CIGNA	Patient/Resident account	993.89
07/03/2017	Other commercial	Patient/Resident account	6,960.27
07/03/2017	Other	Cash payments	31,304.07
07/03/2017	Other EFTs	Patient/Resident account	49,027.20
07/05/2017	Medicare EFT	Patient/Resident account	39,228.77
07/05/2017	CIGNA	Patient/Resident account	4,662.61
07/05/2017	Other commercial	Patient/Resident account	123,023.86
07/05/2017	Other	Cash payments	6,249.52
07/05/2017	Other EFTs	Patient/Resident account	86,159.96
07/06/2017	Medicare EFT	Patient/Resident account	21,068.21
07/06/2017	CIGNA	Patient/Resident account	524.82
07/06/2017	Other commercial	Patient/Resident account	10,201.95
07/06/2017	Other	Cash payments	32,638.96
07/06/2017	Other EFTs	Patient/Resident account	76,923.66
07/07/2017	Medicare EFT	Patient/Resident account	26,566.49
07/07/2017	Other commercial	Patient/Resident account	21,635.45
07/07/2017	Other	Cash payments	1,095.00
07/07/2017	Other EFTs	Patient/Resident account	21,789.33
07/10/2017	Medicare EFT	Patient/Resident account	25,250.50
07/10/2017	Other commercial	Patient/Resident account	16,864.35
07/10/2017	Other	Cash payments	12,384.70
07/10/2017	Other EFTs	Patient/Resident account	167,376.58
07/11/2017	Medicare EFT	Patient/Resident account	33,563.47
07/11/2017	CIGNA	Patient/Resident account	1,126.37
07/11/2017	Other commercial	Patient/Resident account	46,304.62
07/11/2017	Other	Cash payments	50,705.25
07/11/2017	Other EFTs	Patient/Resident account	114,418.28
07/12/2017	Medicare EFT	Patient/Resident account	19,720.44
07/12/2017	CIGNA	Patient/Resident account	202.50
07/12/2017	Other commercial	Patient/Resident account	1,483.63
07/12/2017	Other	Cash payments	57,459.10
07/12/2017	Other EFTs	Patient/Resident account	76,857.44
07/13/2017	Medicare EFT	Patient/Resident account	37,921.29
07/13/2017	Other commercial	Patient/Resident account	169.29
07/13/2017	Other	Cash payments	14,268.71
07/13/2017	Other EFTs	Patient/Resident account	207,129.47
07/14/2017	Medicare EFT	Patient/Resident account	35,235.61
07/14/2017	Other commercial	Patient/Resident account	57,224.49
07/14/2017	Other	Cash payments	31,253.54
07/14/2017	Other EFTs	Patient/Resident account	24,263.03
07/17/2017	Medicare EFT	Patient/Resident account	15,222.78
07/17/2017	CIGNA	Patient/Resident account	906.12
07/17/2017	Other commercial	Patient/Resident account	11,473.87
07/17/2017	Other	Cash payments	80,171.04
07/17/2017	Other EFTs	Patient/Resident account	20,207.49
07/18/2017	Medicare EFT	Patient/Resident account	38,714.34
07/18/2017	CIGNA	Patient/Resident account	3,896.34
07/18/2017	Other commercial	Patient/Resident account	10,650.12
07/18/2017	Other	Cash payments	58,477.85
07/18/2017	Other EFTs	Patient/Resident account	290,972.35
07/19/2017	Medicare EFT	Patient/Resident account	18,723.96
07/19/2017	Other commercial	Patient/Resident account	468.09
07/19/2017	Other	Cash payments	13,562.90
07/19/2017	Other EFTs	Patient/Resident account	37,680.16

DEBTOR(S): Powell Valley Health Care, Inc.CASE NO: 16-20326

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 07/01/2017 to 07/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

Date	Payer	Description	Amount
07/20/2017	Medicare EFT	Patient/Resident account	26,829.73
07/20/2017	Other	Cash payments	4,903.84
07/20/2017	Other EFTs	Patient/Resident account	168,509.42
07/21/2017	Medicare EFT	Patient/Resident account	3,562.08
07/21/2017	CIGNA	Patient/Resident account	160.55
07/21/2017	Other commercial	Patient/Resident account	3,846.28
07/21/2017	Other	Cash payments	6,002.61
07/21/2017	Other EFTs	Patient/Resident account	13,106.65
07/24/2017	Medicare EFT	Patient/Resident account	13,547.64
07/24/2017	CIGNA	Patient/Resident account	610.84
07/24/2017	Other commercial	Patient/Resident account	16,994.41
07/24/2017	Other	Cash payments	5,555.47
07/24/2017	Other EFTs	Patient/Resident account	155,055.56
07/25/2017	Medicare EFT	Patient/Resident account	20,044.58
07/25/2017	CIGNA	Patient/Resident account	13,995.16
07/25/2017	Other commercial	Patient/Resident account	15,642.68
07/25/2017	Other	Cash payments	21,427.96
07/25/2017	Other EFTs	Patient/Resident account	36,367.82
07/26/2017	Medicare EFT	Patient/Resident account	25,558.08
07/26/2017	CIGNA	Patient/Resident account	1,065.16
07/26/2017	Other commercial	Patient/Resident account	17,449.93
07/26/2017	Other	Cash payments	30,686.97
07/26/2017	Other EFTs	Patient/Resident account	36,459.65
07/27/2017	Medicare EFT	Patient/Resident account	8,047.09
07/27/2017	Other commercial	Patient/Resident account	1,172.72
07/27/2017	Other	Cash payments	7,879.65
07/27/2017	Other EFTs	Patient/Resident account	138,225.91
07/28/2017	Medicare EFT	Patient/Resident account	84,004.49
07/28/2017	CIGNA	Patient/Resident account	518.03
07/28/2017	Other commercial	Patient/Resident account	8,434.47
07/28/2017	Other	Cash payments	11,579.34
07/28/2017	Other EFTs	Patient/Resident account	129,027.47
07/31/2017	Other commercial	Patient/Resident account	2,414.31
07/31/2017	Other	Cash payments	323,632.00
07/31/2017	Other	Cash payments	12,665.83
07/31/2017	Other EFTs	Patient/Resident account	57,122.05

Total Cash Receipts

\$ 3,645,048.31 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

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DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
 For Period: 07/01/2017 to 07/31/2017

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

8425

Date	Check No.	Payee	Description (Purpose)	Amount
07/06/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- auto deposit	570,669.62
07/06/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	15,690.92
07/10/17	EFT	Electronic Funds Transfer	FICA payroll taxes	104,001.68
07/10/17	EFT	Electronic Funds Transfer	Federal withholding payroll taxes	108,174.62
07/10/17	EFT	Electronic Funds Transfer	Trsf to pension act 7901	61,475.90
07/10/17	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	115,572.52
07/12/17	EFT	Electronic Funds Transfer	Montana state tax	947.00
07/19/17	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	91,549.47
07/20/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- auto deposit	767,601.42
07/20/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	17,949.64
07/24/17	EFT	Electronic Funds Transfer	FICA payroll taxes	116,510.89
07/24/17	EFT	Electronic Funds Transfer	Federal withholding payroll taxes	237,192.33
07/24/17	EFT	Electronic Funds Transfer	Trsf to pension act 7901	78,243.00
07/24/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	709.13
07/24/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	-433.97
07/25/17	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	123,257.66
07/26/17	EFT	Electronic Funds Transfer	Montana state tax	940.00

6946-7030	Accounts Payable Voided Printing error	
7031-7391	Accounts Payable checks	See attached check register
7274	Accounts Payable Void	check void 8-8-17 not included above
		1,319,318.22
		20,624.75

Total Cash Disbursements \$ 3,749,994.80 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

COMPARATIVE BALANCE SHEET

For Period Ended: 07/31/2017

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 4,873,304	\$ 4,255,881
Accounts Receivable (from Form 2-E)	7,743,864	8,383,526
Receivable from Officers, Employees, Affiliates	0	0
Inventory	776,833	757,444
Other Current Assets : (List) <u>Pre-paid Expense</u>	724,091	865,872
<u>Receivable from legal settlements</u>	11,450,000	11,450,000
Total Current Assets	\$ 25,568,092	\$ 25,712,723
Fixed Assets:		
Land	\$ 0	\$ 0
Building	694,434	694,434
Equipment, Furniture and Fixtures	10,091,307	9,997,873
Total Fixed Assets	10,785,741	10,692,307
Less: Accumulated Depreciation	(9,104,684)	(8,254,973)
Net Fixed Assets	\$ 1,681,057	\$ 2,437,334
Other Assets (List): _____	0	0
_____	0	0
TOTAL ASSETS	\$ 27,249,149	\$ 28,150,057
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ 1,580,563	\$ 1,167,152
Post-petition Accrued Professional Fees (from Form 2-E)	384,907	250,000
Post-petition Taxes Payable (from Form 2-E)	78,705	172,650
Post-petition Notes Payable	136,229	128,056
Other Post-petition Payable(List): <u>see schedul 2G liab</u>	2,583,668	3,405,269
<u>Legal claim reserve</u>	11,750,000	11,750,000
Total Post Petition Liabilities	\$ 16,514,072	\$ 16,873,127
Pre Petition Liabilities:		
Secured Debt	990,333	1,153,923
Priority Debt	0	0
Unsecured Debt	910,744	1,415,297
Total Pre Petition Liabilities	\$ 1,901,077	\$ 2,569,220
TOTAL LIABILITIES	\$ 18,415,149	\$ 19,442,348
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 0	\$ 0
Retained Earnings - Prepetition	8,691,606	8,691,606
Retained Earnings - Post-petition	142,394	16,103
TOTAL OWNERS' EQUITY	\$ 8,834,000	\$ 8,707,709
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 27,249,149	\$ 28,150,057

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

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DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-D
PROFIT AND LOSS STATEMENT
For Period 07/01/2017 to 07/31/2017

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ 5,820,052	\$ 90,371,493
Less: Discounts, Returns and Allowances	(2,298,966)	(36,034,640)
Net Operating Revenue	\$ 3,521,086	\$ 54,336,853
Cost of Goods Sold	3,000,930	46,949,898
Gross Profit	\$ 520,156	\$ 7,386,955
Operating Expenses		
Officer Compensation	\$ 30,067	\$ 209,259
Selling, General and Administrative	0	0
Rents and Leases	82,242	1,226,425
Depreciation, Depletion and Amortization	62,374	893,712
Other (list): <u>Repairs</u>	54,102	821,260
<u>Insurance</u>	55,830	794,242
Total Operating Expenses	\$ 284,615	\$ 3,944,898
Operating Income (Loss)	\$ 235,541	\$ 3,442,057
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ 0	\$ 0
Gains (Losses) on Sale of Assets	0	0
Interest Income	0	0
Interest Expense	-5,254	-61,166
Other Non-Operating Income	0	0
Net Non-Operating Income or (Expenses)	\$ -5,254	\$ -61,166
Reorganization Expenses		
Legal and Professional Fees	\$ 294,586	\$ 3,238,497
Other Reorganization Expense	0	0
Total Reorganization Expenses	\$ 294,586	\$ 3,238,497
Net Income (Loss) Before Income Taxes	\$ -64,299	\$ 142,394
Federal and State Income Tax Expense (Benefit)	0	0
NET INCOME (LOSS)	\$ -64,299	\$ 142,394

(1) Accumulated Totals include all revenue and expenses since the petition date.

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DEBTOR(S):

Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-E (Page 1 of 2)
SUPPORTING SCHEDULES

For Period: 07/01/2017 to 07/31/2017

Summary of Post-Petition Taxes				
Type of tax	1	2	3	4
	Unpaid post-petition taxes from prior reporting month(1)	Post-petition taxes accrued this month (new obligations)	Post-petition tax payments made this reporting month	Unpaid post-petition taxes at end of reporting month (columns 1+2-3)
Federal				
Employee income tax withheld		455,472	455,472	
Employee FICA taxes withheld		162,517	162,471	46
Employer FICA taxes		162,517	162,471	46
Unemployment taxes				
Other:				
State				
Sales, use & excise taxes	224	77	224	77
Unemployment taxes				
Other: Worker Compensation	150,531	78,536	150,531	78,536
Local				
Personal property taxes				
Real property taxes				
Other:				
Total unpaid post-petition taxes				78,705

(1) For first report, the beginning balance in column 1 will be \$0; thereafter, beginning balance will be ending balance from prior report.

Insurance Coverage Summary				
Type of insurance	Insurance carrier	Coverage amount	Policy expiration date	Premium paid through date
Workers' compensation	State of Wyoming	Not Applicable	Not Applicable	Not Applicable
General liability	National Fire & Risk/AB Risk, USI Insurance Service	\$1M/\$5M \$5M Umbrella	08/01/2017	07/31/2017
Property (fire, theft, etc.)	Affiliated FM Insurance Company, USI Insurance Service	Bldg \$100m Flood \$75m	08/01/2017	07/31/2017
Vehicle	Liberty Mutual, USI Insurance Service - Vehicle Only - Waiting on Ambulance	\$1M auto & \$1m Ambulance	08/01/2018	07/31/2018
Other (list): Director & Officer Liability	Darwin National Assurance Co., USI Insurance Service	\$2m	09/07/2017	09/07/2017
Other (list): Internet/Cyber Liability	NAS/Lloyd's of London, USI Insurance Service	\$1m/claim \$1m/agg	09/01/2017	09/01/2017
Other (list): Crime	Travelers Casualty and Surety, USI Insurance Service - Extended one month to match others	\$500,000	09/01/2017	08/30/2017

If any policies were renewed or replaced during reporting period, attach new certificate of insurance.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-E (Page 2 of 2)
SUPPORTING SCHEDULES

For Period: 07/01/2017 00:00 to 07/31/2017 00:00

Accounts Receivable Aging Summary (attach detailed aging report)					
	30 days or less	31 to 60 days	61 to 90 days	Over 90 days	Total at month end
Pre-petition receivables				87,255	87,255
Post-petition receivables	3,299,639	1,673,973	912,930	1,770,069	7,656,610
Total	3,299,639	1,673,973	912,930	1,857,323	7,743,864

Post-Petition Accounts Payable Aging Summary (attach detailed aging report)					
	30 days or less	31 to 60 days	61 to 90 days	Over 90 days	Total at month end
Trade Payables	732,707	31,907	47,923	717,475	1,530,012
Other Payables	11,001	3,300	3,300	32,950	50,551
Total	743,708	35,207	51,223	750,425	1,580,563

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS					
	Month-end Retainer Balance	Current Month's Accrual	Paid in Current Month	Court Approval Date	Month-end Balance Due *
Debtor's Counsel	\$121,141	68,999	24,960	07/13	\$165,180
Counsel for Unsecured Creditors' Committee	124,895	114,300	36,073	07/13	\$203,122
Trustee's Counsel					
Accountant S Miller HT		25,870	25,870	04/19/17	
Other: CKKK & Polsinelli		16,604			\$16,604
Total	246,036	225,774	86,903		384,907

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**			
Payee Name	Position	Nature of Payment	Amount
Michael Long	Chief Financial Officer	Salary/Wages	2,550
Terry Odom	Chief Executive Officer	Salary/Wages	27,517

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer, or director.

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: 07/31/2017

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>20 17</u>	\$ 3,828,457			
February	<u>20 17</u>	3,489,036			
March	<u>20 17</u>	4,204,015			
TOTAL 1st Quarter	\$	<u><u>11,521,508</u></u> \$	<u>13000</u>	<u>5902</u>	<u>04/12/17</u>
April	<u>20 17</u>	\$ 3,722,454			
May	<u>20 17</u>	3,981,145			
June	<u>20 17</u>	3,317,423			
TOTAL 2nd Quarter	\$	<u><u>11,021,023</u></u> \$	<u>12,763</u>	<u>7207</u>	<u>07/14/17</u>
July	<u>20 17</u>	\$ 3,749,995			
August	<u>20 17</u>				
September	<u>20 17</u>				
TOTAL 3rd Quarter	\$	<u><u>3,749,995</u></u> \$			
October	<u>20 16</u>	\$ 4,223,353			
November	<u>20 16</u>	3,742,311			
December	<u>20 16</u>	4,046,540			
TOTAL 4th Quarter	\$	<u><u>12,012,204</u></u> \$	<u>13,000</u>	<u>4,766</u>	<u>01/18/17</u>

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

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DEBTOR(S) Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-G
NARRATIVE

For Period Ending: 07/31/2017

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

FORM 2B-1 Line 50, Cash Accounts are made up of General Checking #7301, EBMS Checking #6301, Flex Spending #3101, Care Center Resident Trust #2088, Employee Benefit #5601, and Pension #7901. Form 2B-3 Cash Disbursements other is for vendor deposits made during the period. **Form 2C-Liabilities**, line 38 Other Payables, this line is made up of accrued Provider Incentives \$ 91,050 Accrued Payroll \$1,312,351, 3rd Party Receivable/Payable (Medicare Cost Report Settlement) \$(137,117), Assisted Living Room Retainer \$36,000, NH Resident Trust \$6,276, and Accrued Benefits \$1,307,508 **Form 2D** Officer compensation equals the amount listed on Form 2E. Rent, Depreciation, Interest, Repairs, and Insurance are from facility income statement, all other expenses is combined into cost of goods sold. **Form 2-E pg 2** "Other" fees are for Copenhaver, Kath, Kitchen, & Kolpitcke for non-chapter 11 hospital legal counsel of \$ 4,136 and 12,468. "Accountant" section includes Interim CFO of \$25,870. Principals/Executives - M Long includes final salary - Terry Odom includes salary - first month.